



**CALIFORNIA WORKFORCE INVESTMENT BOARD
ISSUES AND POLICY SPECIAL COMMITTEE
MEETING NOTICE**



**May 18, 2010
1:30 p.m. to 4 p.m.**

**California State University - Sacramento
Alumni Center, 6000 J Street
Sacramento, CA 95819**

Arnold
Schwarzenegger
Governor

Barbara Halsey
Executive Director

Mission Statement

“Our mission is to provide advice, counsel and recommendations to the full California Workforce Investment Board that improve Local Workforce Investment Boards’ ability to provide world-class services to constituents; and to provide overall strategic recommendations to the full Board in identifying the most critical priorities.”

AGENDA

- I. Welcome and Opening Remarks**
- II. Action Items**
 - **Approval of January 27, 2010 Meeting Summary**
 - **Approval of Waiver to Use Rapid Response Funding for Incumbent Worker Training**
 - **Approval of Waiver to Permit Up to 90 Percent Reimbursement for On-the-Job Training**
 - **Approval of Waiver for Eligible Training Provider List (ETPL) Initial Eligibility Determination for Postsecondary Educational Institutions and Entities Carrying Out Apprenticeship Programs**
 - **Approval of Incumbent Worker Definition**
- III. Discussion**
 - **Committee Dashboard**
 - **American Recovery and Reinvestment Act Expenditure Levels**
 - **Additional Assistance Grant Application Process**
 - **Review of Board Incentive Award Policy**
- IV. Update**
 - **WIA State Strategic Plan Extension**
 - **WIA Formula Fund Allocations for Program Year (PY) 2010-11**
 - **High Concentration of Eligible Youth Grant Applications**
 - **National Emergency Grant Application**

V. Public Comment

VI. Other Business

- **Committee Meeting Calendar**

Meeting conclusion time is an estimate; meeting may end earlier subject to completion of agenda items and/or approved motion to adjourn. In order for the Committee to provide an opportunity for interested parties to speak at the public meetings, public comment may be limited. Written comments provided to the Committee must be made available to the public, in compliance with the Bagley-Keene Open Meeting Act, §11125.1, with copies available in sufficient supply. Individuals who require accommodations for their disabilities (including interpreters and alternate formats) are requested to contact the California Workforce Investment Board staff at (916) 324-3425 at least ten days prior to the meeting. TTY line: (916) 324-6523. Please visit the California Workforce Investment Board website at <http://www.cwib.ca.gov> or contact Daniel Patterson for additional information.

- 1. Welcome and Opening Remarks**
- 2. Action Items:**
 - a) Approval of January 27, 2010 Meeting Summary**
 - b) Approval of Waiver to use Rapid Response Funding for Incumbent Worker Training**
 - c) Approval of Waiver to Permit up to 90 Percent Reimbursement for On-the-Job Training**
 - d) Approval of Waiver for Eligible Training Provider List – Post Secondary Educational Institutions and Apprenticeship Programs**
 - e) Approval of Incumbent Worker Definition**

**Issues and Policies Committee
Meeting Summary
January 27, 2010**

The Issues and Policies Special Committee met on January 27, 2010 at 10:30 am. The following members were present:

Edward Munoz, Chair	Stewart Knox
Victor Franco, Vice Chair	Adam Peck
Felicia Flournoy	Tim Rainey
Larry Fortune	Richard Rubin
Faye Huang	Barry Sedlik

ABSENT: Elvin Moon, Audrey Taylor, Stella Premo

CWIB Staff

Barbara Halsey	Doug Sale	Daniel Patterson	Luis Bermudez
John Williams	Michael Dowdy	Sunshine Duffy	

Welcome and Opening Remarks

Mr. Munoz opened the meeting, welcoming all the members present, and introduced Victor Franco as the Vice Chair and that Mr. Franco was appointed as allowed by the State Board Bylaws.

Approval of November 12, 2009 Meeting Summary

One correction was made to the November 12, 2009 minutes regarding minor typographical errors and the minutes were approved unanimously.

Information: Training on the Workforce Investment Act and American Reinvestment and Recovery Act Activities

Ralph Zackheim and Bob Lantern from the Department of Labor Region 6 in San Francisco gave a presentation of the basic tenants of the Workforce Investment Act (WIA) and American Recovery and Reinvestment Act of 2009 (ARRA).

Richard Rubin presented the following questions regarding the presentation:

- What accounts for “precipitous” decline in funding over the time period since WIA inception?
- Is it comparable to other states?
- Why aren’t we seeing a reversal in the funding situation considering the economic times.

Ralph Zackheim and Bob Lantern provided the following in response:

- The reasons for the decline in funding are various, from actions taken by Congress, different administrations since the beginning of WIA, and in some cases there have been some mid-stream rescissions where money was allocated but Congress reclaimed it. Sometimes the drop in funds has been due to budgetary issues or political will.
- California has done worse, generally, than other states when it comes to funding cutbacks. The WIA funding formula is quite complex and sometimes benefits the Local Workforce Investment Areas (LWIA) but hurts the state overall. However, the decline in funding among states is universal. Also, inflation is not taken into account in the figures presented, so the actual cutbacks are even steeper.
- ARRA funding addresses the reversal in this trend, if only temporarily. ARRA funding will be discussed in greater detail in its own presentation.

Mr. Rubin suggested that perhaps we can influence the outcome of funding by our advocacy at the Federal level. Ralph Zackheim and Bob Lantern pointed out the important point that performance also plays a role.

There was additional discussion among members regarding the flexibility and priority setting for adult and dislocated workers at the local level, as it relates to the WIA and ARRA funding. Choices are made by local areas in response to local demands such as the need to serve dislocated NUMMI workers in Alameda County. There is also some flexibility for transferring funds between funding streams, and waivers have aided in that effort.

Regarding the ARRA Presentation:

Mr. Franco noted that good training for jobs is actually there, but that we (the Committee) need to make connections with partners responsible for creating jobs. We need to be mindful that we are not training people for jobs that don't materialize. Mr. Rubin agrees that if we're shooting for goals we can't reach; it's the same as not having the goals at all. We need to collaborate, make connections with those in the educational sectors and the people actually creating the jobs.

Mr. Fortune clarified that it is the role of the LWIAs to identify these areas of job growth, partners creating jobs, and spend the money wisely; it is not the Committee's job. Ms. Halsey noted that some things can be done at the state level to encourage the LWIAs in this area to help guide those decisions. A good example of this is the use of sector strategies to identify partners in a regional economy. The Governor has aided this effort by providing \$2.5 million to encourage LWIAs to use regional planning. For example, the Clean Energy Workforce Training Program required that applicants demonstrate that they had employer councils, who would hire participants after training programs.

Mr. Franco emphasized that there has not been a more critical time for us to fund worker training in *growth* areas and he sees this as one of the most critical things that we need to do. He proposes to track information periodically between now and September, to aid in making informed decisions about this job creation. Mr. Rubin at this point tied in the discussion with the idea of a dashboard which would present this pertinent information.

Ms. Flournoy brought up some information about difficulties with local community colleges in getting the ARRA funds obligated and expended. She pointed out lack of staffing and coordination at the colleges as one of the problems that LWIAs face when trying to execute contracts in order to expend the ARRA funding quickly.

In response to Ms. Flournoy's discussion about the difficulties of executing contracts with local colleges, Mr. Franco asked if these timelines for execution are something with which the State Board can help. Perhaps these issues can be taken to Washington or whoever else can modify these processes in order to help local areas?

In response, Ms. Flournoy expressed her view that the LWIAs need clarification about whether Federal agencies are looking for obligations, expenditures, accruals, etc. She also pointed out that WIA performance measures (common measures) do not tell the full story. Legislators are asking for information such as how many credentials, certificates, and diplomas participants are obtaining, and while she has been able to give anecdotal information, there is not enough factual information available.

Mr. Rubin proposed to Ms. Halsey that we use this type of feedback to put additional pressure on educational institutions "to do what we need to do". He acknowledged that connections between agencies are difficult and that we can help that process and "break that logjam".

Sector Strategies

At this point Ms. Halsey provided a brief overview of sector strategies before the lunch break. The State board positioned itself well to do what it needs to do. The challenge is to form a workforce system that can work well whether or not it is in a boom or bust time; we need a State Board that can respond to both. We need to understand skills. In times of job creation the focus is to see what is emerging in economy, and not job decrease and destruction. But with this recession we need to be concerned with job churn and destruction as well as creation. The State Board is currently working with all the right connections, foci, and partners.

How do we take what we've learned and start pushing our system more than we've done in the past? Regional Industry Clusters of Opportunity Grants are going to help us get a better grip on how we approach shared governance over initiatives; at local level this is very important.

How do you bring education to the table in a meaningful way? First chance education system needs to be more connected; we need them at the table. We need to assist

them to make changes to be more responsive to the dynamic economy. The State Board has a great opportunity to serve as an intermediary at the state and local level.

What are the critical areas when it comes to WIA reauthorization? We should be talking to legislative leaders about expenditures vs. obligations. We need to be talking to them about such partnerships as the one we have with the California Energy Commission; this is a great partnership and very unique.

We can push our workforce system into more of those unique partnerships. The Public Utilities Commission and Investor Owned Utilities are other partners which can hopefully invest dollars for workforce training. Union partners have received funding for green training as well. We need to look at all partners and funding to better connect. There are great opportunities and we need leadership and involvement.

Discussion: Identification and Initial Prioritization of Committee Issues

Mr. Rubin expressed concern that the Committee Charter did not include all the points members had asked be incorporated. Mr. Patterson clarified that the Committee Charter was reviewed by the Committee, presented to the State Board at the December 8, 2009 meeting, where it was approved. However, the Charter may be amended.

Mr. Rubin noted that the Committee should not duplicate board's work. Rather, the recommendations made by the Committee will hopefully be considered seriously and acted upon by the State Board and that he hopes the Committee will not be simply a "pass-through operation".

Another concern is how the Committee can be most helpful to the State Board and Board staff: How can the Committee make Board staff's job easier by giving good guidance? In relation to this Ms. Huang noted that the dashboard is an important issue. She would like to see it as part of the review process each time the Committee meets. Mr. Patterson noted that Board staff has had a lot of discussion around the idea of a dashboard and what it should include. The Committee members discussed the contents of the dashboard they would like included:

- An Executive Summary
- Cash draw downs
- Expenditure and accrual levels from LWIAs
- Performance measures such as credentials, certificates, degrees
- On which industries are LWIAs focusing? Perhaps a map could be included to illustrate
- The top 6 industries in which participants are enrolling
- A list of who is getting Governor's 15 Percent Grants

The Committee members agreed that the dashboard should present a more macro view of the work of LWIAs. It should be simple and easy to understand.

At this time the Committee members also discussed a new mission statement written by Mr. Munoz in response to discussions. Committee members agreed on the language of the mission statement as follows:

Our mission is to provide advice, counsel and recommendations to the full California Workforce Investment Board that improve Local Workforce Investment Boards' ability to provide world-class services to constituents; and to provide overall strategic recommendations to the full Board in identifying the most critical priorities.

Mr. Rainey discussed his thoughts on EDD making policy. He suggested that perhaps the Committee can meet with EDD to lay out some process for making the policy. This might be an issue the Committee can take up in the future. If we don't work with EDD to develop policy with Committee, Board, and public comment policies will continue to be developed solely by them, but more parties should be involved in the process. The Committee might even "pull back" some existing policy and reexamine it.

Mr. Rainey also asked that perhaps State Board members can be polled to get a sense of Board member satisfaction; perhaps a brief questionnaire could be formulated and distributed. That way, the Board members would have a vested interest in what the Committee is doing. There was some discussion about whether or not this type of activity would fall within the purview of the Committee and whether or not it fit within the scope of the Committee's mission statement. Mr. Rainey agreed with Mr. Munoz that it did not fit within the scope of the mission statement, but Mr. Munoz did not object to it, he was simply trying to focus the discussion.

Mr. Rubin expressed that the Committee should strengthen partnerships and interface with any and all state agencies with which we work. The Committee could identify how we are working together with partners, and perhaps invite different agencies as advisors to the Committee and invite them to make brief presentations. Barbara noted that because the Committee was formed with a focus on business, other partners such as the Department of Education were not seated on the Committee but could be invited as advisors. There was further discussion about who the partners might be, how to engage them, if they could make five to ten-minute presentations. Mr. Sale pointed out that one thing to keep in mind is that while the intentions and relationships at the headquarter level are well-meaning and strong, that rarely translates to the local level.

Mr. Knox commented that one important and specific benefit of having education partners meet with the Committee is the Academic Senate approval of curriculum design.

At this point Mr. Knox also posed a question to the representatives of the Department of Labor present at the meeting related to the earlier point of redefining the State Board's and EDD's roles, namely:

- Should communication between agencies be refocused or redirected to enforce the role of the State Board as the policy making body and EDD as the administrative/oversight body?
- When the Department of Labor wants good, reliable information, does it ask the State Board or EDD? DOL representatives responded by saying that when they go to a variety of sources such as Barbara, Jaime Fall at Agency, or Workforce Services Division at EDD.

Mr. Knox reinforced his questions by noting that if we want to redirect the standard of policy, then communication should follow that structure. It was not EDD's role to set policy, so why has the Department assumed that role? Was it by default, was it assumed, or is EDD looked at by the next level up where the information is provided? Ms. Halsey posed the question that perhaps the roles of EDD and the State Board in this matter might have been determined by the executive order forming the State Board after the implementation of WIA. (Board Staff have since examined the executive order and found that these roles were not established by the order).

Mr. Rubin asked about the role of the Economic Strategy Panel. Ms. Halsey explained that it is a Governor-appointed panel under Agency. CWIB's activities with the Panel have to do with regional work and specifically with RICO, and that there is interest in the Panel becoming reengaged, for it has not met in about one and a half years.

After committee discussion, Daniel Patterson presented potential issues identified by Board staff and asked for approval from the Committee for staff to pursue work on these issues. Following is a list of these issues.

- Dashboard with Executive Summary – mock copy to be presented at the next Committee meeting.
- List of other agencies to be engaged by Committee – to be presented at the next Committee meeting.
- Employment Provider Training List (ETPL) waiver – draft to be presented at the next Committee meeting.
- Local Area designation – Board staff will explore the process, previous problems, and previous temporary designations. Mr. Knox pointed out that CWA will be very keenly interested in this process and there will be “pushback”.
- Application process for Additional Assistance is too long – urgent issue to be explored by Board staff and Committee
- Leveraging other federal funding – to be explored by Board staff

Discussion: Scheduling of Future Meeting Dates

Committee members discussed their preferences for meeting dates to coincide with State Board meetings, and days of the week to meet. Board staff will explore meeting date options and forward to Committee members for scheduling.

Public Comment

There was no public comment.

Other Business

There was no other business. The meeting was adjourned.

Administrative Item Workforce Investment Act Waiver Requests

Action Requested

The Issues and Policy Committee approves the Workforce Investment Act Waiver Request package and recommend approval to the State Workforce Investment Board.

Background

The U.S. Employment and Training Administration published Training and Employment Guidance Letter (TEGL) 21-09 on April 15, 2010. This TEGL provides instructions for submitting Workforce Investment Act (WIA) and Wagner-Peyser Act State Plans and Waiver Requests for Program Year 2010. For those states wishing to request new waivers and have them in place for all of PY 2010, these waivers must be submitted by May 14th, 2010. The state has submitted the attached waivers to the U.S. Department of Labor (DOL) on May 13, 2010.

Approval of the State WIA Waiver Request Package

The WIA of 1998 provides general statutory and regulatory waiver authority, with some exceptions, to ensure that states and Local Workforce Investment Areas (local area) are allowed flexibility in implementing WIA programs. The U.S. Department of Labor encourages State and local officials to take full advantage of the waiver process to design flexible, effective State and local workforce development systems.

These waivers were identified through consultation with local area representatives and DOL. They will grant additional flexibility in the use of WIA and American Recovery and Reinvestment Act of 2009 (ARRA) funds to local areas to provide incumbent worker training and reimburse employers up to 90 percent for on-the-job training to eligible WIA participants.

The three waiver requests are:

- Incumbent Worker Training - would allow Local Workforce Investment Boards, at their discretion, to use Rapid Response funding of Local Area regular and ARRA funds for adults and dislocated workers to provide statewide employment and training activities, specifically to carry out Incumbent Worker Training programs specifically for layoff aversion at the Local Area level.
- On-the-Job Training - would increase flexibility for the use of WIA formula and ARRA funds by permitting up to 90 percent reimbursement of the extraordinary costs of on-the-job training. Reimbursement would be provided on a sliding scale based on employer size: up to 90% for employers with 50 or fewer employees; up to 75% for employers with 51 to 250 employees; for employers with 251 or more employees, reimbursement would remain at the 50% statutory level.
- Eligible Training Provider List – would waive WIA Section 122(b)(1), which requires postsecondary institutions and entities offering apprenticeship programs to submit applications to each Local Workforce Investment Board (Local Board) for each program offering to be listed on the ETPL. The State would automatically approve these programs and list them on the statewide ETPL.

The waiver requests were approved for publication by State Board and Employment Development Department leadership. The requests requesting flexibility were published for a 7-day public comment period on the State Board's website on May 3, 2010. The ETPL waiver was published for a 30-day public comment period on May 4, 2010.

STATE OF CALIFORNIA
WORKFORCE INVESTMENT ACT (WIA)
WAIVER REQUEST

Use of Rapid Response Funding for Incumbent Worker Training

The California Workforce Investment Board (State Board) and the Employment Development Department (EDD), as the administrative entity of the Workforce Investment Act (WIA) in California, submit this request for a waiver of the restrictions on the use of both regular and American Recovery and Reinvestment Act (ARRA) Rapid Response funding for Incumbent Worker Training at the Local Workforce Investment Area (Local Area) level. (A definition of incumbent worker is under development. The State Board will approve one before this waiver becomes operational.) This waiver would allow Local Workforce Investment Boards (Local Boards), at their discretion, to use Rapid Response funding of Local Area regular and ARRA funds for adults and dislocated workers [WIA Section 133(b)] to provide statewide employment and training activities identified at WIA Section 134 and 20 CFR 667.130, specifically to carry out Incumbent Worker Training programs specifically for layoff aversion at the Local Area level. This waiver will apply to Program Year 2009 and subsequent years.

In keeping with the guidelines set forth at WIA Section 189(i)(4)(b) and 20 CFR Part 661.420(c) please accept the following as a request for a waiver.

A. Statutory or Regulatory Requirements to be Waived

The State of California requests a waiver from the provisions of WIA Sections 134 (Use of Funds for Employment and Training Activities), as well as a waiver from the provisions of WIA regulation at 20 CFR 665.300 regarding the use of WIA Rapid Response funds.

B. Goals of the Waiver and Expected Programmatic Outcomes if Waiver is Granted

California has the largest labor market in the United States. In 2008, nonfarm payrolls totaled 14,994,100 jobs, comprising 10.9 percent of the nation's nonfarm jobs. In addition, California had 390,900 jobs in the farm sector for a total of 15,385,000 jobs in 2008. In the second quarter of 2009, the California economy was gripped by a severe recession characterized by deepening job losses and rapidly rising unemployment. California's economic problems originated in the housing and financial sectors, spread into the consumer economy, and subsequently into the rest of the economy. Unemployment is highest in low skill occupations. Mass layoff events have increased. Job losses are expected to continue into 2010.

Investing public resources to support technical and/or soft skills training of incumbent workers is a practical layoff aversion strategy for the state. It retains good jobs in California's targeted sectors. These identified (targeted) industry sectors play a key role in the state's economic success. The State Workforce Investment Board (State Board) in collaboration with the Economy Strategy Panel continues to invest in the development and implementation of the Regional Economies Project Industry Clusters of Opportunity Methodology (ICM). This economic analysis identifies on a regional basis, those industries that are emerging and those that are critical to the economic competitiveness of California's economy, which may require intervention to ensure viability for the long term. To further this effort, the State Board has awarded grants to assist existing regional collaboratives, or the formation of new regional partnerships to use the ICM to establish sector strategies, targeting those industries and its employees, identified through the regional data analysis.

The application of this ICM framework, assures that funds used for incumbent worker training, benefit the employee and employer, as well as improve the region's economic vitality. The continued use of other existing methods such as WARN Notices will also complement the use of ICM. This waiver also provides the Local Board with greater flexibility in the use of WIA Rapid Response funds to participate in the regional collaborative and leverage the full capability of the system's resources and not be constrained by the silos typically associated with WIA funding streams.

Additionally, the plan for incumbent worker training, as part of California's layoff aversion strategy, will target industries and economic sectors, which offer high skill and high wage jobs. One of these sectors is the green economic sector. California has a long-standing history of leading implementation of environmental policy. Most recently, the enactment of the California Global Warming Solutions Act (AB32) and the Alternative and Renewable Fuel and Vehicle Technology Program (AB118) have demonstrated that California is becoming a national and global leader in combining advances in public policy and private sector innovation to enhance both environmental quality and economic growth. In addition, the Governor signed the Green Collar Jobs Act, establishing the Green Collar Jobs Council (GCJC) under the State Workforce Investment Board and directing the development of a statewide sector strategy targeting the emerging Green economy.

The types of training that will be provided include occupational skills training designed to meet the special requirements of a business and is conducted with employer commitment to continue to retain all trained individuals upon successful completion of the training, educational training, training in strategies to improve efficiency of business operations, and computer software training. Training is expected to provide skills, which result in the employer being able to adjust to a changing economic climate by providing the jobs necessary to do so, thus averting layoffs. Training is also expected to provide skills for employees, which will permit advancement to higher skilled, higher paying jobs and job retention.

The IWT layoff aversion strategy will continue to be coordinated with other existing services accessible through One Stop Career Centers throughout California and will help to ensure to the extent possible a maximum return of investment as the 49 Local Areas that comprise California's workforce system continue to face a wide range of distinct economic challenges due largely to the national economic downturn which in California, like many other states has resulted in excessively high unemployment.

Criteria will be established to identify appropriate uses of incumbent worker training. Employers will be selected where economic indicators demonstrate a need for incumbent worker training as part of a layoff aversion strategy. Such indicators may include announced layoffs or reduced work schedules. An analysis will be performed to ensure the training provides the employees with the skills necessary to enable the employer to maintain operations and avert layoffs, or even closure. Employers will be required to demonstrate a commitment to retain the employee, to pay the employee a higher wage or otherwise provide a tangible benefit to the employee.

California's workforce system is comprised of 49 Local Workforce Investment Areas which are independently locally operated by a Local Workforce Investment Board. As such, the local areas have a large degree of flexibility to develop programs and deliver services that best address the unique needs of the local labor market. Because of their connection with the employer community, staff at the local level is in the best position to identify opportunities for utilizing the IWT service strategy and for developing appropriate criteria for implementing the IWT layoff aversion strategy together with Rapid Response and other economic development strategies.

C. State or Local Statutory or Regulatory Barriers

There is no State or local statutory or regulatory barriers to implementing the proposed waiver.

D. Description of Individuals Impacted by the Waiver

This waiver plan will positively affect businesses by reducing the risk of layoff or closure because workers have not kept current with new skills and technologies. It also has the potential, as businesses expand due to the enhanced skills of their current workers, to stimulate new, lower-skill positions and to create openings in positions vacated by incumbent workers who receive skills upgrade training. The training provided to individuals will make them more valuable to current and future employers. This waiver plan increases the role Local Boards as workforce intermediary and the role of business in the workforce development system. It also increases local flexibility to respond to the business community, in keeping with the goals of the WIA.

E. Opportunity for Public Comment and the Process for Monitoring Implementation of the Waiver

This request was developed as a result of concerns expressed by Local Boards. The State Board and the EDD, as the administrative entity of the WIA in California published the Waiver on the State Board's website for 7 days. The State's current policy directive and monitoring policy/procedures will be modified, as necessary, to include this waiver. Funding will be tracked by funding stream.

**STATE OF CALIFORNIA
WORKFORCE INVESTMENT ACT (WIA)
WAIVER REQUEST**

**Waiver to Permit Up to 90 Percent Reimbursement for
On-the-Job-Training**

The California Workforce Investment Board (State Board) and the Employment Development Department, as the administrative entity of the WIA, submit this request for a waiver to permit up to 90 percent reimbursement for on-the-job-training.

In keeping with the guidelines set forth at WIA Section 189(i)(4)(B) and 20 Code of Federal Regulations (CFR) Part 661.420(c), please accept the following as a request for waiver.

The State Board respectfully requests a waiver to allow the State to reimburse up to 90 percent of employer cost for on-the-job-training.

A. Statutory or Regulatory Requirements to be Waived

Section 101(31)(B) of the Workforce Investment Act

B. Goals of the Waiver and Expected Programmatic Outcomes if Waiver is Granted

The purpose of this waiver is to increase flexibility for the use of WIA formula and American Recovery and Reinvestment Act (ARRA) funds by permitting up to 90 percent reimbursement of the extraordinary costs of on-the-job training. Reimbursement would be provided on a sliding scale based on employer size: up to 90% for employers with 50 or fewer employees; up to 75% for employers with 51 to 250 employees; for employers with 251 or more employees, reimbursement would remain at the 50% statutory level.

The waiver will allow the State to encourage and expand the hiring of unemployed adult and dislocated workers who lack some of the skills needed to meet an employer's needs. It will provide them with opportunities to add new skill sets and learn new technologies while they return to the workplace and earn wages to support themselves and their families.

It will also:

- Maximize the flexibility needed to create on-the-job-training opportunities in the private and non-private sectors that provide appropriate skill acquisition opportunities for participants.
- Increase business usage of the workforce system and provide greater incentives for them to hire new workers.

- Attract a larger number of high quality, high wage jobs that create economic wealth for the various regions within the State.

California has one of the highest unemployment rates in the nation. This waiver will help businesses solve workforce challenges, such as attracting and retaining well qualified workers.

C. State or Local Statutory or Regulatory Barriers

There are no State or local statutory or regulatory barriers to implementing the proposed waiver.

D. Description of Individuals Impacted by the Waiver

Adult and Dislocated workers and other hard to serve populations with the greatest barriers to employment who are not already skilled enough to obtain available employment and would most benefit from being able to earn a wage while learning new skills; employers with full-time job openings in growth industries who are having difficulties finding appropriately skilled workers but would have the ability to provide on-the-job-training if assisted with the extraordinary costs of providing such training.

E. Opportunity for Public Comment and the Process for Monitoring Implementation of the Waiver

This request was developed as a result of concerns expressed by Local Boards. The State Board and the EDD, as the administrative entity of the WIA in California published the Waiver on the State Board's website for 7 days. The State's current policy directive and monitoring policy/procedures will be modified, as necessary, to include this waiver. Funding will be tracked by funding stream.

**STATE OF CALIFORNIA
WORKFORCE INVESTMENT ACT (WIA)
WAIVER REQUEST**

**Eligible Training Provider List (ETPL) Initial Eligibility Determination
Postsecondary Educational Institutions and Entities
Carrying Out Apprenticeship Programs**

The California Workforce Investment Board (State Board) and the Employment Development Department, as the administrative entity of the WIA in California, submit this request for a waiver of WIA Section 122(b)(1), which requires postsecondary institutions and entities offering apprenticeship programs to submit applications to each Local Workforce Investment Board (Local Board) for each program offering to be listed on the ETPL. This waiver will apply to Program Year 2010.

In keeping with the guidelines set forth at WIA Section 189(i)(4)(B) and 20 Code of Federal Regulations (CFR) Part 661.420(c), please accept the following as a request for waiver.

A. Statutory or Regulatory Requirements to be Waived

The WIA Section 122(b)(1) and 20 CFR 663.515(b) require that training providers desiring to be determined and listed as initially eligible to receive funds made available under WIA Section 133(b) for the provision of training services, submit an application to the local board through a locally described application process. Additionally, this requirement is stipulated in 20 CFR 663.505(b). The state policies implementing these WIA provisions are described in WIA Directive [WIAD06-15](#), published February 7, 2007.

For a majority of institutions of higher learning that meet the initial eligibility criteria described in WIA Section 122(a)(2)(A-B), the administrative burden imposed by the local application process has hindered their participation and the listing of a wide range of training programs which are otherwise available to the general public.

B. Goals of the Waiver and Expected Programmatic Outcomes if Waiver is Granted

This waiver request seeks to further implement in California, the national direction as communicated in TEGL 13-06 and the Governor's WIA State Plan priority for the Workforce Investment System of Collaborating to Improve California's Educational System at All Levels. The goal of this waiver is to allow those institutions determined initially eligible under the WIA Section above, that have available program data, to apply to the State rather than the Local Board for listing on the ETPL.

The action will increase customer choice by providing a more comprehensive list of available training options in the local communities, maximize the use of funding resources available for use in individual training accounts for eligible adult and dislocated workers, and reduce training costs through the leveraging of resources currently within the workforce and education systems.

Finally, this waiver would also expand and enhance an existing partnership and collaboration between the local and state workforce investment boards and the publicly funded education system – a goal that is otherwise impeded without this waiver, and reduce the administrative burden and cost of managing the ETPL at the local and state levels by facilitating a state-level data transfer to list these educational programs on the statewide list.

C. State or Local Statutory or Regulatory Barriers

There are no known State or local statutory or regulatory barriers to implementing the proposed waiver.

D. Description of Individuals Impacted by the Wavier

All WIA eligible adults and dislocated workers that receive services under this program, as well as business customers, will benefit from the waiver.

E. Opportunity for Public Comment and the Process for Monitoring Implementation of the Waiver

This request was developed as a result of concerns expressed by Local Boards. The waiver was published on the State Board website on May 4, 2010 seeking public comment. It will be discussed in the State Board's Issues and Policy Committee as well as the State Board meeting. ETPL policy/procedures will be modified, as necessary, to include this waiver.

ISSUE PAPER

Definition of Incumbent Worker

Action Requested

The State Workforce Investment Board approves the definition for Incumbent Worker.
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Background

Incumbent worker training is an allowable statewide activity under WIA Section 134(a)(3)(A)(iv)(I) and 20 Code of Federal Regulations (CFR) Section 665.210(d). States may establish policies and definitions to determine which workers, or groups of workers, are eligible for incumbent worker services. To date, the State Board has not provided such a definition. Funding for incumbent worker training must be drawn from the State's combined adult, youth and dislocated worker "15 percent discretionary funds." The State has also been granted a waiver for Local Workforce Investment Areas (LWIAs) to use up to 10 percent of Adult and Dislocated Worker funds for incumbent worker training programs that are part of a layoff strategy.

Generally, incumbent worker training is developed with an employer or employer association to upgrade skills training of a particular workforce. It usually takes place in the workplace or after work hours for employees of a specific employer or employer association. The employer agrees to retain the trained worker upon completing training. Frequently, such training is part of an economic development or business retention strategy developed by a State.

Definitions Used by Other States

Research has indicated that states define "incumbent worker" differently. Some examples of specific state definitions are as follows:

North Carolina:

- A paid employee of the applicant business, or a person working for the business as a staffing agency employee,
- At least 18 years of age, and
- A citizen of the United States or a non-citizen whose status permits employment in the United States. Volunteers and board members of the business are not eligible for incumbent worker training.
- Any incumbent worker trained must be working in a facility located in North Carolina.

Florida:

- A paid employee of the applicant business, or a person working for the business as a staffing agency employee, working at least 37.5 hours per week.
- At least 18 years of age.

- A citizen of the United States or a non-citizen whose status permits employment in the United States.
- Employed on or before the signature date of the application. Like North Carolina, volunteers and board members of the business are not eligible.
- Incumbent workers must be trained at a physical location in Florida.

Louisiana

- A worker who is currently on the payroll of the applicant.

Tennessee

- An existing full-time employee.

Arkansas

- An employee of the applicant business.

California Employment Training Panel

The California Employment Training Panel (ETP) provides funds for incumbent worker training. The ETP uses the following definition of an eligible participant. The ETP training program is funded through the Employer Training Tax (ETT), which is levied against employers participating in the Unemployment Insurance (UI) program. This definition is based upon the California Unemployment Insurance Code Section 10201(c)(1).

An eligible participant is

- A worker employed full-time for a minimum of 90 days with a single employer, and are participants in the training program,
- A worker who has been employed for less than 90 days with their current employer and has a work history of being employed for at least an average of 20 hours per week for at least 90 days by an ETP eligible employer(s) during the 180 day period preceding their current hire date, or
- A worker who was employed less than 90 days prior to the start date of employment with their current employer and were collecting Unemployment Insurance (UI) benefits, or had exhausted their benefits within the previous two years.

Issue

Should the California Workforce Investment Board (State Board) adopt such a definition?

Alternatives

1. Status Quo: Do not define the term “incumbent worker.”

Pro:

- This alternative permits Local Workforce Investment Boards (LWIB) maximum flexibility in providing incumbent worker training.

Con:

- To obtain approval for a waiver using ARRA Rapid Response funds for this activity, the Department of Labor (DOL) requires that the State Board to develop a working definition for the WIA statewide system.
- May produce confusion between the eligibility required for incumbent worker training and intensive and training services provided in accordance with the other WIA provisions for adult and dislocated workers.

2. Use the California Employment Training Panel (ETP) Definition: The State Board adopts the definition of “eligible participant” currently used by the ETP.

Pro:

- Adopting the definition developed by ETP and currently in use in California is convenient, consistent and efficient.
- Some of the system stakeholders are already familiar with this definition.

Con:

- The task of defining an incumbent worker is the purview of the State Board.
- The ETP definition has been legislated to meet the needs of the ETP not the WIA.
- It is administratively burdensome and does not afford the maximum coverage of employees who may otherwise be eligible for incumbent worker training under the WIA.

3. Develop a Simple Definition: The State Board develop and adopt a simple, yet definitive definition of the term “incumbent worker” as *“an employee of the business applying for incumbent worker training in accordance with the WIA.”*

Pro:

- The task of defining an incumbent worker is the purview of the State Board.
- Satisfies the requirement of DOL in granting the waiver for use of ARRA for this training.
- Provides flexibility to the LWIBs without constraining them with lengthy and detailed definitions.
- The ETP definition is too detailed and cumbersome and is based upon a law, which does not use the term “incumbent worker.”

Con:

- Adopting this alternative creates two distinct and separate definitions of “incumbent worker” for use in the State of California.

Recommendation

Alternative 3. The State Board adopt a definition of an “incumbent worker” as an employee of the business applying for incumbent worker training in accordance with WIA. This definition would apply to incumbent worker training funded by the WIA. However, a caveat should be included that the incumbent worker training be conducted at a facility physically located in the State of California to ensure the WIA funds are expended within the state.

**Workforce Investment Act (WIA)
15 Percent Governor's Discretionary Fund - Base and ARRA
State Fiscal Year (SFY) 2009-10
(in millions)**

April 14, 2010

	May 2010 Revise WIA Base and ARRA Total ¹
State Allocation for WIA (Title I)	\$967.2
Less: Formula Allocations to Local Areas and Rapid Response Allotment	(\$837.7)
Governor's Discretionary WIA 15 Percent Funds	\$129.5
WIA 15 Percent SFY 2008-09 De-obligations within 61.60	\$1.5
WIA 15 Percent Carryforward Funds	\$9.9
Total Estimated Available WIA 15 Percent Funds	\$140.9
61.35 WIA Administration and Program Services	
Federally Mandated State Activities (EDD,CWIB) for ARRA ²	\$4.6
Industry Clusters of Opportunity-- Technical Assistance (EDD w/CWIB) (4)	\$2.5
Employment Development Department	\$1.2
California Unemployment Insurance Appeals Board	\$0.1
California Workforce Investment Board (CWIB) Administration ³	\$0.3
Audit, Compliance and Fraud Prevention	\$4.7
Labor Market Information Program	\$2.0
Local Program Oversight and Technical Assistance	\$7.5
Financial Management and Information Technology	\$2.1
Policy Development and Partner/Program Coordination (CWIB) ³	\$2.2
Clusters of Opportunity (CWIB) ³	\$0.5
Total WIA Administration and Program Services	\$27.7
61.40 Growth Industries - High Wage/High Skill Job Training	
Green Technology/Green Collar Jobs (5)	\$8.8
Community Colleges WIA Coordination/Program Integration (6)	\$0.6
Incentive Grants (7)	\$0.7
Regionalized Economic Stimulus (8)	\$2.0
Employment Training Panel (ETP) projects (9)	\$3.0
Workforce Services Network (10)	\$2.0
Total Growth Industries	\$17.1
61.50 Industries with a Statewide Need - Expansion of Workforce	
Health Care - Nurse Education Initiative (11)	\$7.7
Critical Shortage Industries: Nurses/Healthcare/Infrastructure/Logistics (12)	\$16.9
State match to ARRA Projects or anticipated Federal Competitive Grants (13)	\$2.5
Critical Shortage Industries: Nursing Skills Initiative (NSI) (14)	\$5.4
Critical Shortage Industries: Allied Health Initiative (AHI) (15)	\$10.0
Total Industries with a Statewide Need	\$42.5
61.60 Removing Barriers for Special Needs Populations	
Offenders	
CDCR Parolee Services (16)	\$14.0
EDD Parolee Services (17)	\$1.0
Incentive Grants (18)	\$1.6
Services to Long-Term Unemployed (19)	\$0.1
Veterans	
Governor's Award for Veterans' Grants (20)	\$9.5
Veterans/Disabled Veterans' Employment Services (21)	\$0.7
Engineer Training for Veterans' (22)	\$0.6
Veterans Training (23)	\$12.7
Youth, Young Adults, Low-Wage Earners, Special Needs populations	
Department of Education WIA Coordination/Program Integration (24)	\$0.4
Youth Grants (25)	\$0.5
At Risk/Youthful Offender Gang Prevention (26)	\$7.5
Academic Bridge Summer Employment Curriculum (27)	\$3.0
Green Technology/Green Collar Jobs (28)	\$2.0
Total Removing Barriers for Special Needs Populations	\$53.6
Summary	
WIA 15 Percent Governor's Discretionary Funds	\$140.9
61.35 WIA Administration and Program Services	\$27.7
61.40 Growth Industries	\$17.1
61.50 Industries with a Statewide Need	\$42.5
61.60 Removing Barriers for Special Needs Populations	\$53.6
Estimated Balance	\$0.0

WIA CHART NOTATIONS

1. Does not include 14.1 million of SFY2008-09 ARRA dollars that was expended in SFY2008-09. Additionally, \$3.9 million is included in SFY2010-11 ARRA to provide administrative functions for ARRA projects.
2. Approximately \$0.3 million is included in the California Workforce Investment Board (CWIB) budget to carry out federally mandated activities.
3. This amount is carried in the CWIB budget.
4. Grant funds for technical assistance with industries clusters of opportunity.
5. This line item funded the California Clean Energy Workforce Training Program (CEWTP). CEWTP is a collaborative effort between EDD, California Energy Commission, CWIB and LWDA.
6. WIA funds to enable the community colleges to fulfill their WIA responsibilities. Funds an interagency agreement between CWIB and CCCO.
7. Incentive awards for regional and local cooperation required by WIA.
8. Funds from this line item are being distributed to the CSU, Fresno Foundation to fund the San Joaquin Valley Partnership.
9. ETP funding to target training for workers with an emphasis in clean and green sector.
10. Funds proposed system, which will integrate labor market services funded by WIA, WPA and TAA programs.
11. Supports the Nurse Education Initiative. Targets healthcare industry and its nursing shortage.
12. Second round of funding for the Nurse Education Initiative.
13. Funding for this line item is dedicated for use as a State match for competitive grants that will be issued by the DOL.
14. ETP provides upgrade training for LVN and RN under a Non-Profit Nursing Skills Training Program.
15. Funds initiative for a public-private partnership to reduce California's critical health care worker shortage.
16. Funding designed to reduce recidivism by addressing parolee unemployment and literacy.
17. Funding to decrease recidivism by providing job services that increase parolee entry into employment.
18. Incentive grants for exemplary performance required under WIA.
19. Provides for EDD staff in local one-stop centers to facilitate services for long-term unemployed who have limited opportunities to return to similar occupations.
20. Grants providing veterans with job placement and support services.
21. Funding supporting EDD employees in local one-stop centers providing services to veterans.
22. Funding for a pilot pre-engineering certificate program, which would be an apprenticeship style "earn while you learn" program offered in partnership with employers.
23. Funding for the Veterans Employment Assistance Program, which focuses on transitioning veterans into high-wage high-growth occupations with particular emphasis placed on the clean and green sector.
24. Funds interagency agreement with CDE to facilitate coordination and promote linkages among local education agencies and various entities in LWIBs.
25. Grant funding provided to LWIBs having a high concentration of WIA eligible youth to serve.
26. Funds to focus on prevention, intervention and diversion efforts for youth who are at risk of becoming or are gang involved.
27. Funds Bridges to Success project, which focuses on high school dropout prevention for at-risk youth.
28. Funds the California Clean Energy Workforce Training Program (CEWTP).

Governor's 15 Percent Discretionary Fund Projects
Calendar Year 2009 through Present

Bridges to Success 2009/10

Number of Awards: 7
Grant Amount: \$3,499,855
Funding type: ARRA/WIA

Industries with a Statewide Need 2009/10

Number of Awards: 13
Grant Amount: 10,723,762
Funding type: ARRA/WIA

California Clean Energy Workforce Training Program 2009/10
(ARRA/WIA/SEP/AB 118 Funds)

Number of Awards: 34
WIA 15 Percent: \$10,043,738
AB 118: \$16,709,974
Total Awards: \$26,753,712

Construction Talent Transfer

Number of Awards: 6
Grant Amount: \$2,700,000
Funding Type: ARRA

Governor's Gang Reduction, Intervention and Prevention
(Cal GRIP) Initiative 2008/09

Number of Awards: 3
Grant Amount: \$1,400,000
Funding Type: WIA 15 Percent

California Green Jobs Corp (06/29/09)

Number of Awards: 11
Grant Amount: \$9,999,995
Funding Type: ARRA

Governor's Gang Reduction, Intervention and Prevention
(Cal GRIP) Initiative 2008/09 (01/30/09)

Number of awards: 11
Grant Amount: \$5,474,700
Funding Type: WIA 15 Percent

California Employment Development Department
Workforce Development Programs - As of March 31, 2010

Funding Stream	Total Amount Allotted to State	Date Funds Placed in Contracts	Total Amount Obligated by State	Percent of Funds Obligated by State - D/B	Total Amount Obligated by Locals	Percent of Funded Obligated by Locals F/B	Total Amount Expended	Percent of Funds Expended - H/B
A	B	C	D	E	F	G	H	I
American Recovery and Reinvestment Act (ARRA) of 2009 - As of September 30, 2009.								
ARRA WIA Adult Formula Funds	\$ 68,100,261	April 10, 2009	\$ 68,100,261	100.0%	\$ 38,219,700	56.1%	\$ 13,661,022	20.1%
ARRA WIA Dislocated Worker Formula Funds	\$ 133,144,133	April 10, 2009	\$ 133,144,133	100.0%	\$ 57,925,117	43.5%	\$ 16,168,905	12.1%
ARRA WIA Youth Formula Funds	\$ 158,628,729	April 10, 2009	\$ 158,628,729	100.0%	\$ 131,344,979	82.8%	\$ 93,503,890	58.9%
ARRA WIA Governor's Discretionary Funds (15 Percent) - Locals	\$ 14,099,995	Various Dates	\$ 14,099,995	100.0%	\$ 1,505,069	10.7%	\$ 257,452	1.8%
ARRA WIA Governor's Discretionary Funds (15 Percent) - State	\$ 59,197,036	N/A	\$ 526,989	0.9%	N/A	N/A	\$ 526,989	0.9%
ARRA WIA Rapid Response Activities (Formula - 25 Percent)	\$ 55,476,722	April 10, 2009	\$ 27,738,361	50.0%	\$ 9,789,484	17.6%	\$ 3,082,708	5.6%
ARRA WIA Additional Assistance Funds (25 Percent)	N/A	N/A	N/A	0.0%	N/A	0.0%	N/A	N/A
Subtotal	\$ 488,646,876		\$ 402,238,468	82.3%	\$ 238,784,349	48.9%	\$ 127,200,966	26.0%
American Recovery and Reinvestment Act (ARRA) of 2009 - As of December 31, 2009.								
ARRA WIA Adult Formula Funds	\$ 68,100,261	April 10, 2009	\$ 68,100,261	100.0%	\$ 48,083,501	70.6%	\$ 24,511,607	36.0%
ARRA WIA Dislocated Worker Formula Funds	\$ 133,144,133	April 10, 2009	\$ 133,144,133	100.0%	\$ 78,183,875	58.7%	\$ 30,828,868	23.2%
ARRA WIA Youth Formula Funds	\$ 158,628,729	April 10, 2009	\$ 158,628,729	100.0%	\$ 138,801,320	87.5%	\$ 113,705,128	71.7%
ARRA WIA Governor's Discretionary Funds (15 Percent) - Locals	\$ 14,099,995	Various Dates	\$ 14,099,995	100.0%	\$ 4,117,747	29.2%	\$ 975,608	6.9%
ARRA WIA Governor's Discretionary Funds (15 Percent) - State	\$ 59,197,036	N/A	\$ 1,044,453	1.8%	N/A	N/A	\$ 1,044,453	1.8%
ARRA WIA Rapid Response Activities (Formula - 25 Percent)	\$ 55,476,722	April 10, 2009	\$ 27,738,361	50.0%	\$ 11,817,520	21.3%	\$ 4,957,510	8.9%
ARRA WIA Additional Assistance Funds (25 Percent)	N/A	N/A	N/A	0.0%	N/A	0.0%	N/A	N/A
Subtotal	\$ 488,646,876		\$ 402,755,932	82.4%	\$ 281,003,963	57.5%	\$ 176,023,174	36.0%
American Recovery and Reinvestment Act (ARRA) of 2009 - As of March 31, 2010.								
ARRA WIA Adult Formula Funds	\$ 68,100,261	April 10, 2009	\$ 68,100,261	100.0%	\$ 54,569,879	80.1%	\$ 39,133,227	57.5%
ARRA WIA Dislocated Worker Formula Funds	\$ 133,144,133	April 10, 2009	\$ 133,144,133	100.0%	\$ 91,997,731	69.1%	\$ 52,911,084	39.7%
ARRA WIA Youth Formula Funds	\$ 158,628,729	April 10, 2009	\$ 158,628,729	100.0%	\$ 141,214,059	89.0%	\$ 124,398,535	78.4%
ARRA WIA Governor's Discretionary Funds (15 Percent) - Locals	\$ 37,551,925	Various Dates	\$ 37,551,925	100.0%	\$ 10,232,952	27.3%	\$ 4,045,212	10.8%
ARRA WIA Governor's Discretionary Funds (15 Percent) - State	\$ 35,745,106	N/A	\$ 2,566,207	7.2%	N/A	N/A	\$ 256,207	0.7%
ARRA WIA Rapid Response Activities (Formula - 25 Percent)	\$ 55,476,722	April 10, 2009	\$ 55,476,722	100.0%	\$ 19,480,499	35.1%	\$ 8,721,928	15.7%
ARRA WIA Additional Assistance Funds (25 Percent)	N/A	N/A	N/A	0.0%	N/A	0.0%	N/A	N/A
Subtotal	\$ 488,646,876		\$ 455,467,977	93.2%	\$ 317,495,120	65.0%	\$ 229,466,193	47.0%
Total	\$ 488,646,876		\$ 455,467,977	93.2%	\$ 317,495,120	65.0%	\$ 229,466,193	47.0%

ARRA/WIA 15% allotment received - \$73,297,031. As of the September 30, 2009 reporting period, of the 15 % received, \$14,626,984 or 20.0% was obligated and \$784,441 or 1.1% was spent.

ARRA/WIA 15% allotment received - \$73,297,031. As of the December 31, 2009 reporting period, of the 15 % received, \$15,144,448 or 20.7% was obligated and \$2,020,061 or 2.8% was spent.

ARRA/WIA 15% allotment received - \$73,297,031. As of the March 31, 2010 reporting period, of the 15 % received, \$40,118,132 or 54.7 % was obligated and \$6,611,419 or 9.0% was spent.

DIRECTIVE

WORKFORCE INVESTMENT ACT

Number: WSD09-16

Date: April 14, 2010

50:85:pc:13477

TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: MODIFICATION OF EXEMPLARY PERFORMANCE INCENTIVE
AWARD POLICY

EXECUTIVE SUMMARY:

Purpose:

This directive provides State guidance for awarding Workforce Investment Act (WIA) exemplary performance (EP) incentive awards to Local Workforce Investment Areas (local area). The directive reflects a policy change by the California Workforce Investment Board (State Board) for awarding available funding for EP incentive awards and implementation of Common Measures in California. This policy applies to performance outcomes achieved during Program Year (PY) 2007-08 and each program year thereafter, and will remain in effect until rescinded or superseded.

Scope:

This directive applies to all local areas.

Effective Date:

This directive is effective immediately.

REFERENCES:

- WIA Sections 128(a), 133(a), 134(a), and 136(c)
- Title 20, Code of Federal Regulations, Sections 666.100, 666.400, and 666.410
- DOL Training and Employment Guidance Letter (TEGL) 17-05, Common Measures Policy for the ETA's Performance Accountability System and Related Performance Issues (February 17, 2006)
- Workforce Investment Act Annual Report: General Reporting Instructions and ETA Form 9091, Revised 2006
- State Board, EP Incentive Award Policy (approved May 18, 2004)

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STATE-IMPOSED REQUIREMENTS:

This directive contains only State-imposed requirements.

FILING INSTRUCTIONS:

This directive supersedes WIA Directive WIAD04-12, dated January 21, 2005, and finalizes Workforce Services Draft Directive WSDD-37, issued for comment on March 11, 2010. The Workforce Services Division received no comment during the draft comment period. Retain this directive until further notice.

BACKGROUND:

States are required to reserve funds for incentive grants to local areas for regional cooperation among local boards and local coordination of WIA activities, and exemplary performance by local areas on the local performance measures [WIA 134(a)(2)(B)(iii)]. At the September 2009 meeting, the State Board modified the existing WIA Incentive Award Policy to more closely align the awards with the implementation of Common Measures in California.

POLICY AND PROCEDURES:

Seventy percent (70%) of the funds reserved by the Governor for incentive awards will be used to reward EP efforts and thirty percent (30%) of the funds will be used to reward regional cooperation/local coordination (RC/LC) efforts. This directive explains the process for determining individual local area EP incentive award amounts. A separate directive will be issued explaining the application process for the RC/LC incentive awards.

To receive a full EP incentive award, a local area must meet or exceed its negotiated performance goals for all of the measures in each of the three WIA customer groups (i.e. adults, dislocated workers, and youth). A local area may receive a partial award for meeting or exceeding all of the performance goals in any one of the customer groups. Each customer group represents 33.33 percent of the full EP incentive award.

Example A: The local area met all performance goals for each of the three groups, Adult, Dislocated Workers, and Youth. The local area would receive a full EP incentive award.

Example B: The local area met all Adult and Dislocated Worker performance goals but failed to achieve 100 percent of its negotiated performance levels in the Youth customer group. The amount of the EP incentive award would be reduced by 33.33 percent. Therefore, the local area would receive a partial EP incentive award.

Awards Calculation Methodology

To determine the potential dollar amount of a full award for each local area, the total formula allocation for each local area receiving an award is divided by the total of all formula allocations for local areas receiving EP incentive awards. The resulting percentage reflects each local area's full share of available EP incentive award funds.

This amount is adjusted to meet minimum and maximum award caps. For the purposes of this directive, a minimum full award is no less than one percent of the total funds made available by the Governor for EP incentive awards. A maximum full award is no more than ten percent (10%) of the total funds made available for EP incentive awards. Partial awards are calculated by reducing this adjusted amount by the percentages assigned to each customer group.

The EP incentive awards will be calculated by the Workforce Services Division (WSD) and will be based on the performance outcomes reported to DOL in the State's WIA Annual Report. Following the submission of the Annual Report to DOL and pending the Governor's approval, the State Board will contact the award recipients individually.

The EP incentive awards may be used for any WIA allowable program or administrative activity. Participants served with funds awarded for exemplary performance must be counted in determining performance measures.

ACTION:

Bring this directive to the attention of affected staff.

INQUIRIES:

If you have any questions, please contact your [Regional Advisor](#) at (916) 654-7799.

/S/ MICHAEL EVASHENK, Chief
Workforce Services Division

Item 3: Discussion

- **Committee Dashboard**
- **American Recovery and Reinvestment Act Expenditure Levels**
- **Additional Assistance Grant Application Process**
- **Review of Board Incentive Policy**

Item 4: Update

- **WIA State Strategic Plan Extension**
- **WIA Formula Fund Allocations for Program Year 2010-2011**
- **High Concentration of Eligible Youth Grant Applications**
- **High Concentration of Youth Policy Revision**
- **National Emergency Grant Application**

Item 5: Public Comment

Item 6: Other Business

INFORMATION NOTICE

WORKFORCE SERVICES

Number: WSIN09-61

Date: April 28, 2010

Expiration Date: 5/28/12

69:158:er:13558

TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: WIA FORMULA ALLOCATIONS—PY 2010-11

The purpose of this Information Notice is to announce the release of the Workforce Investment Act (WIA) formula fund allocations for each Local Workforce Investment Area (LWIA) for the Adult, Youth, and Dislocated Worker (DW) funding streams for Program Year (PY) 2010-11. These allocations are based on the allotments issued by the U.S. Department of Labor (DOL) to the states (refer to DOL Training and Employment Guidance Letter [TEGL] 19-09 dated March 30, 2010).

As in previous years, the allocations for the Adult and Youth funding streams were calculated using the “hold-harmless” factor. Additionally, as approved by the California Workforce Investment Board on November 30, 2006, the DW funding now contains a “hold-harmless” factor. This hold-harmless provision for DW helps mitigate the year-to-year volatility by ensuring each LWIA receives no less than 90 percent of their average percentage share from the prior two years. The LWIAs that receive more than 100 percent of their average percentage share from the prior two years were proportionately reduced by an amount to total funding necessary for those LWIAs that were below the 90 percent threshold.

Additionally, the DW allocation formula contains the following four factors and their weights:

- Long-Term Unemployment Insurance (UI) claims—weighted at 40 percent
- Mid-Term UI Claims—weighted at 30 percent
- Short-Term UI Claims—weighted at 10 percent
- Long-Term Civilian Unemployment—weighted at 20 percent

The allotments to California and the amounts available for formula allocation to the LWIAs are as follows:

<u>PY 2010-11</u>	<u>Total Allotment</u>	<u>Amount Available for Formula Allocation</u>
Adult Program (Title I)	\$131,676,574	\$111,925,088
Youth Program (Title I)	\$136,875,948	\$116,344,556
Dislocated Worker Program (Title I)	\$192,413,016	\$115,447,810

The attached reflects the total amounts each LWIA will receive for each of the funding streams during the PY 2010-11.

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Youth allotments to the states will be issued in one sum with an April 1, 2010, effective date under grant code 301.

If you have any questions about this notice, please contact April Eales at april.eales@edd.ca.gov or by phone (916) 653-9150.

/S/ MICHAEL EVASHENK, Chief
Workforce Services Division

Attachment

**WORKFORCE INVESTMENT ACT ALLOCATIONS
FOR
PROGRAM YEAR 2010/11**

ATTACHMENT

Local Workforce Investment Areas	PY 2010/11 WIA 85 Percent Adult Allocations w/Hold Harmless	PY 2010/11 WIA 85 Percent Youth Allocations w/Hold Harmless	PY 2010/11 WIA 60 Percent Dislocated Worker Allocations w/Hold Harmless
<i>In Subgrantee Code Order</i>			
ALAMEDA	\$1,834,475	\$1,975,361	\$3,040,208
ANAHEIM	\$960,528	\$943,523	\$876,158
CONTRA COSTA	\$1,744,748	\$1,782,911	\$2,464,988
FOOTHILL	\$585,047	\$559,824	\$622,141
FRESNO	\$5,103,607	\$5,498,457	\$4,687,014
GOLDEN SIERRA	\$1,077,752	\$1,105,461	\$1,611,185
HUMBOLDT	\$421,272	\$444,973	\$403,585
IMPERIAL	\$1,816,784	\$1,893,159	\$2,042,609
KERN, INYO, MONO	\$3,864,243	\$4,016,652	\$3,652,120
KINGS	\$740,942	\$765,061	\$662,448
LOS ANGELES CITY	\$15,089,019	\$15,163,774	\$10,768,508
LOS ANGELES COUNTY	\$11,083,530	\$11,472,344	\$10,015,576
LONG BEACH	\$2,009,177	\$2,108,695	\$1,649,602
MADERA	\$683,384	\$669,995	\$602,535
MARIN	\$426,961	\$330,300	\$483,741
MENDOCINO	\$257,146	\$263,098	\$288,041
MERCED	\$1,449,776	\$1,553,679	\$1,410,010
MOTHER LODE	\$487,802	\$523,484	\$578,868
MONTEREY	\$1,911,145	\$1,972,107	\$2,197,340
NAPA	\$231,753	\$243,286	\$318,503
NORTH CENTRAL COUNTIES	\$1,492,836	\$1,525,066	\$1,404,445
NORTEC	\$2,720,965	\$2,882,070	\$2,809,016
NOVA	\$867,714	\$879,607	\$1,156,146
OAKLAND	\$1,929,767	\$1,932,169	\$1,467,630
ORANGE	\$3,484,900	\$3,612,309	\$5,404,919
RICHMOND	\$511,206	\$512,077	\$359,558
RIVERSIDE	\$6,187,730	\$6,351,359	\$7,234,614
SACRAMENTO	\$3,890,801	\$4,019,806	\$4,538,593
SANTA ANA	\$1,356,958	\$1,409,639	\$836,749
SANTA BARBARA	\$930,745	\$1,350,188	\$973,925
SAN BENITO	\$213,169	\$225,530	\$256,428
SAN BERNARDINO CITY	\$934,299	\$979,265	\$743,268
SAN BERNARDINO COUNTY	\$4,927,514	\$5,007,850	\$5,424,470
SOUTH BAY	\$1,495,835	\$1,438,258	\$1,439,550
SANTA CRUZ	\$923,258	\$1,080,657	\$1,033,202
SAN DIEGO	\$6,983,755	\$7,507,591	\$8,263,131
SELACO	\$993,607	\$1,008,495	\$1,146,862
SAN FRANCISCO	\$1,942,315	\$1,745,115	\$2,191,302
SAN JOAQUIN	\$3,005,227	\$3,271,418	\$2,973,664
SAN JOSE/SILICON VALLEY	\$3,234,317	\$3,449,393	\$3,525,679
SAN LUIS OBISPO	\$533,433	\$757,089	\$612,743
SAN MATEO	\$1,131,374	\$1,111,110	\$1,540,272
SOLANO	\$1,102,560	\$1,052,292	\$1,345,433
SONOMA	\$969,247	\$1,022,972	\$1,341,552
STANISLAUS	\$2,578,563	\$2,675,490	\$2,605,785
TULARE	\$2,589,796	\$2,776,150	\$2,456,076
VERDUGO	\$801,049	\$720,598	\$843,463
VENTURA	\$1,851,080	\$1,954,587	\$2,499,002
YOLO	\$561,977	\$800,262	\$645,153
TOTALS	\$111,925,088	\$116,344,556	\$115,447,810

DIRECTIVE

WORKFORCE SERVICES

Number: WSD09-5

Date: December 29, 2009

69:184:cs:13160

TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: HIGH CONCENTRATION OF ELIGIBLE YOUTH ADDITIONAL
ASSISTANCE—PY 2009-10

EXECUTIVE SUMMARY:

Purpose:

The purpose of this directive is to publish the California Workforce Investment Board's (State Board) current policy and procedures for Local Workforce Investment Areas (Local Area) that are eligible to apply for a High Concentration of Eligible Youth award for Program Year (PY) 2009-2010.

Scope:

This directive applies to all Local Areas eligible to receive additional funding and communicates procedures for award application.

Effective Date:

This directive is effective upon release.

REFERENCES:

- Workforce Investment Act (WIA) Sections 101(13), (25), and 129(b)(2)(c)
- Title 20, Code of Federal Regulations (CFR) Part 652, Section 664.200
- WIA Directive WIAD06-8

STATE-IMPOSED REQUIREMENTS:

This directive contains only State-imposed requirements.

FILING INSTRUCTIONS:

This directive supersedes WIA Directive WIAD06-8, dated September 29, 2006, and finalizes Workforce Services Draft Directive WSDD-27, issued for comment on December 13, 2009. The Workforce Services Division (WSD) received six comments during the draft comment period, two of which resulted in substantive changes to this directive. These changes are viewed as highlighted text. The highlighted text will remain on the Internet for 30 days from the issuance date. A summary of the comments and their corresponding resolutions are provided as Attachment 4. Retain this directive until further notice.

BACKGROUND:

Section 129(b)(2)(c) of WIA requires states to provide additional assistance to Local Areas that have high concentrations of eligible youth. The State is providing WIA 15 percent funding to assist the Local Areas in increasing the number of youth receiving WIA services. This directive outlines the State Board's policy for disseminating the high concentration of eligible youth funds.

The WIA Section 129(c) specifies the activities that must be carried out using WIA 15 Percent High Concentration of Eligible Youth funds. These activities include assessment of the academic level, skill level, and service needs including a review of basic skill deficiencies and supportive service needs. Additionally, remedial activities to address basic skill deficiencies, which include language barriers, may be a part of the service strategy for youth.

POLICY AND PROCEDURES:

The following criteria were developed and approved by the State Board for an application process to distribute funds to the Local Areas having the highest concentration of WIA eligible youth:

1. Local Areas having a high concentration of WIA eligible youth rate that is above the State average of 23.6 percent are eligible to submit a request for funding. Twenty-seven Local Areas meet this requirement. Attachment 1 is the High Concentration list for all Local Areas based on 2000 census data.
2. Local Areas must select one priority area of focus from the following list:
 - Foster Youth
 - Youth Offender
 - Youth with Disability
 - Migrant and Seasonal Farm Worker Youth
 - Youth of Incarcerated Parents
 - Indian and Native American Youth
3. Each Local Area above the 23.6 percent state average may submit an application for funds (see Attachment 1). The maximum amount of funding to be awarded is \$500,000 resulting in a grant award of \$18,500 based on all 27 Local Areas applying. This amount may increase depending on the number of actual applications received and meeting the eligibility criteria.
4. A Local Area's application must match the requested amount using a match of one dollar of non-WIA funds for each three dollars of high concentration grant funds. In-kind contributions may not be used to satisfy the match requirement.
5. The Local Area must develop a plan and budget to reflect a projected increase in the number of WIA eligible youth to be served and the specific services to be provided as described in the WIA Section 129(c).
6. The Local Area must meet the WIA expenditure requirement of 30 percent of its WIA Youth regular formula allocation used to provide services to out-of-school youth. Additionally, Local Areas must meet or exceed their performance goals for at least two out of three common performance measures for PY 2008-09.
7. The High Concentration proposal may not be used to supplement or leverage funds of any other 15 percent project.

8. Local Areas must have fully expended their PY 2008-09 youth funds, at least 75 percent or more of their American Recovery and Reinvestment Act of 2009 Youth allocations and met the 30 percent out-of-school expenditure requirement by December 31, 2009. Additionally, Local Areas must have met their 2008-09 performance goals (see Attachment 2). If the Local Area has not met the 75% expenditure threshold on ARRA Youth Funds and provides a list of contributors and the amount of leveraged cash match provided for their Summer Youth program with their application, they will be considered for a grant award.

All Local Areas above the statewide average that meet the above criteria may apply for the High Concentration of Eligible Youth funds. To apply for funding, the Local Area must submit the following information:

1. A description of the proposed area of focus and activities or services that will be used to address the documented unmet need within the geographical area served. The application must reflect a projected increase in the number of WIA eligible youth to be served and the services to be provided as described in WIA Section 129(c).
2. An outline of the proposed outcomes and specify the increase in the number of youth to be served in PY 2009-10.
3. A timeline for completing activities and project outcomes. Timelines should cover the contracted period of April 1, 2010 through March 31, 2011.
4. A budget detail and budget summary (see Attachment 3). Include all associated costs for this project/service. Ensure that the matching funds requirement is clearly outlined in the Budget Detail.

The application must be received by 4:30 pm Pacific Time January 15, 2010.

Please mail or deliver application to: California Workforce Investment Board
ATTN: High Concentration of Eligible Youth
777 12th St., Ste 200
Sacramento, CA 95814

Applications will not be accepted via fax.

Request for exceptions to these conditions will not be considered.

ACTION:

Bring this directive to the attention of appropriate staff.

INQUIRIES:

If you have any questions, please contact John Williams at (916) 324-3425.

/S/ BOB HERMSMEIER
Chief
Workforce Services Division

Attachments

High Concentration List based on 2000 Census Data				
LWIA NAME	Total population, 14 to 21 years, Unrounded	Economically Disadvantaged Youth, 14 to 21 years, unrounded	Disadvantaged Youth as Percent of Total ---- "Concentration"	Rank Among LWIA ---- [Highest percent rank #1]
SAN BERNARDINO CITY	24,600	9,120	37.1%	1
LONG BEACH CITY	53,550		36.3%	2
TULARE COUNTY	50,780	17,760	35.0%	3
LOS ANGELES CITY	410,475	139,870	34.1%	4
MERCED COUNTY	28,365	9,575	33.8%	5
FRESNO COUNTY	107,935	36,355	33.7%	6
IMPERIAL COUNTY	19,100	6,140	32.1%	7
OAKLAND CITY	40,405	12,955	32.1%	8
MADERA COUNTY	15,400	4,710	30.6%	9
KERN-INYO-MONO COUNTIES	88,160	26,895	30.5%	10
SANTA BARBARA COUNTY	55,480	16,900	30.5%	11
SANTA ANA CITY	45,285	13,740	30.3%	12
KINGS COUNTY	16,235	4,755	29.3%	13
SAN JOAQUIN COUNTY	73,585	21,470	29.2%	14
NORTEC CONSORTIUM	70,925	20,005	28.2%	15
N. CENTRAL COUNTIES CONSORTIUM	28,685	7,900	27.5%	16
YOLO COUNTY	29,180	7,870	27.0%	17
HUMBOLDT COUNTY	16,195	4,275	26.4%	18
RICHMOND CITY	10,395	2,670	25.7%	19
MOTHER LODE CONSORTIUM	15,370	3,945	25.7%	20
MENDOCINO COUNTY	10,125	2,555	25.2%	21
SANTA CRUZ COUNTY	32,445	8,170	25.2%	22
LOS ANGELES COUNTY	446,625	110,535	24.7%	23
SAN LUIS OBISPO COUNTY	36,200	8,820	24.4%	24
SOUTH BAY CONSORTIUM	39,245	9,515	24.2%	25
STANISLAUS COUNTY	57,585	13,880	24.1%	26
MONTEREY COUNTY	49,190	11,785	24.0%	27
State	3,866,445	914,215	23.6%	
SACRAMENTO COUNTY	135,825	31,050	22.9%	28
RIVERSIDE COUNTY	185,540	41,345	22.3%	29
SAN DIEGO COUNTY	330,380	70,160	21.2%	30
ANAHEIM CITY	36,495	7,700	21.1%	31
SAN FRANCISCO CITY & COUNTY	54,395	11,420	21.0%	32
SAN BERNARDINO COUNTY	196,205	40,970	20.9%	33
FOOTHILL CONSORTIUM	26,785	5,430	20.3%	34
VERDUGO CONSORTIUM	30,215	5,980	19.8%	35
NAPA COUNTY	12,995	2,330	17.9%	36
SAN BENITO COUNTY	6,135	1,085	17.7%	37
SOUTHEAST L.A. COUNTY CONS.	52,990	9,335	17.6%	38
VENTURA COUNTY	85,580	14,515	17.0%	39
SAN JOSE/SILICON VALLEY	128,615	21,465	16.7%	40
ORANGE COUNTY	221,895	34,700	15.6%	41
ALAMEDA COUNTY	107,295	16,295	15.2%	42
SONOMA COUNTY	50,995	7,655	15.0%	43
SOLANO COUNTY	45,845	6,425	14.0%	44
MARIN COUNTY	18,340	2,315	12.6%	45
N. SANTA CLARA VALLEY (NOVA)	41,400	5,215	12.6%	46
CONTRA COSTA COUNTY	85,850	10,610	12.4%	47
SAN MATEO COUNTY	63,500	7,485	11.8%	48
GOLDEN SIERRA CONSORTIUM	52,710	6,130	11.6%	49

STATEWIDE and LWIA PERFORMANCE GOALS

STATEWIDE and LWIA PERFORMANCE GOALS COMMON MEASURE	PY 2008-09	
	STATE	LWIA
PLACEMENT IN EMPLOYMENT OR EDUCATION	67%	65%
ATTAINMENT OF DEGREE OR CERTIFICATE	47%	45%
LITERACY AND NUMERACY GAINS	30%	15%

SAMPLE BUDGET SUMMARY

Applicant Name:		
Special Project Title:		
Term: April 1, 2010 through March 31, 2011		
I. Budget Detail		Planned Expenditures
A. Staff Salaries		
B. Number of full-time equivalents		
C. Staff Benefits		
D. Staff Benefit Rate (percent)	%	
E. Staff Travel		
F. Operating Expenses (communications, facilities, utilities, maintenance, consumable supplies, etc.)		
G. Equipment (not permitted)		
H. Contractual Services (attach specifications)		
I. Indirect Costs		
J. Indirect Cost Rate (percent)*	%	
*Name of Cognizant Agency:		
K. Other (describe):		
L. Match (describe):		
II. Quarterly Expenditure Plan		Cumulative Expenditures
A. 06/2010		
B. 09/2010		
C. 12/2010		
D. 03/31/2011		

[Form in MS Word](#)

Summary of Comments
“High Concentration of Eligible Youth Additional Assistance – PY 2009-10”

There were four commenters to the draft version of this directive.

Commenter #1 suggested clarification be added to language regarding the 30 percent minimum expenditure requirement for out-of-school youth services and the requirement to meet or exceed performance goals for at least two out of three common performance measures for PY 2008-09.

Resolution: The final directive was revised to include language which incorporates this suggestion.

Commenter #2 requested the inclusion of confirmation that the match must be cash, with the LWIA's application matching the requested amount by a formula of one dollar on non-WIA funds for every three dollars of high concentration grant funds.

Resolution: The Policy and Procedures section of the Directive addresses this issue specifically, stating that a Local Area's application must match the requested amount using a match of one dollar of non-WIA funds for each three dollars of high concentration grant funds.

Commenter #3 suggested creating an option to qualify at the 50% level if a clear record of leveraging additional funding for SYEP against ARRA funds for 2009 summer work experience can be shown.

Resolution: Agree with the commenter. If they can provide a list of funders and the amounts directly contributed to the 2009 SY program, their application will be considered at the 50% level. Additional language is included in the Directive.

Commenter #4 inquired about exceptions to the statewide standard set for high concentration of youth, especially where an area falls below the 23.6 percent average, but has a high concentration of one or more priority groups.

Resolution: The State Board adopted the 2000 Census as the statewide standard because it is a source for statewide data. Unfortunately, unless an area meets or exceeds that standard they are ineligible for a High Concentration of Eligible Youth award for PY 2009-10.